



Search the Site



Search NRN's
Archives

Register for NRN's
Newsletters



News

NRN this Week
Daily Specials
Off the Wire
Financial News
People on the Move

Segment Trends

OnSite
QSR
Independents
Casual Dining
Fine Dining
Marketing
HR & Service
Technology
Equipment
Design Spotlight
Food Safety

Culinary Currents

Culinary R&D
Food Trends
Chef Profile
Health & Nutrition
On the Menu
Dish of the Week
Dining / What's Hot
Recipe Index
Chef Tips
Reel Food

Calendar & Events

OnSite Summit
R&D Conference
Industry Calendar
MUFSO
FS/TEC
Hot Concepts
NRN Hall of Fame
Menu Masters

Subscribers Only

Marketplace

Classifieds
Products
Advertise With Us
Manage My Account
Subscriber Services
Online Bookstore
Industry Links

Calendar

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Special Issues

The NRN 50: Café Spice Express

New York-based Indian concept aims to curry favor with consumers on-the-go

By Erica Duecy

Concept name: Café Spice Express
Owner: Café Spice Restaurant Group
Headquarters: Long Island City, Queens, N. Y.
Year founded: 2000
No. of units: 3
Chain's annual sales: \$4.5 million
Average annual sales per unit: \$1.5 million
Per-person check average: \$11 at Grand Central Terminal; \$7 at mall units
Target demographics: young, urban professionals in densely populated areas where it trades: New York
New market targets: Boston, Atlanta, Washington, D.C.
Top executives: Sushil Malhotra, co-founder and president; Rajesh Bhardwaj, co-founder, chief operating officer and corporate chef

Indian cuisine has staked a claim in America's cities in fine-dining palaces, buffet halls and curry corners. But diners hankering for a hot samosa or a bowl of curry in a fast-casual atmosphere haven't had a concept that aimed to fill their appetites — until now.

Sushil Malhotra and Rajesh Bhardwaj, co-founders of the Long Island City, N.Y.-based [Café Spice Restaurant Group](#), are changing the way people experience Indian cuisine at their chain of five Café Spice bistros and three Café Spice Express units. The restaurants present traditional Indian flavors in contemporary bistro and up-market fast-casual atmospheres.

"We wanted to exploit the niche between curry corners and upscale Indian restaurants," Malhotra says. "There was nothing in between those two extremes before Café Spice and the express concept."



Café Spice Express serves cuisine from several regions, including classic northern Indian dishes, such as chicken tikka, or yogurt-marinated chicken that is roasted in a tandoor oven, and southern Indian dishes such as masala dosa, a traditional rice-flour wrap that is stuffed with

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Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Café Spice Express serves a variety of traditional dishes from several regions of India. (Photo courtesy of Erica Duecy)

spiced potatoes.

"I don't think Indian food is well represented by just going with one region," Malhotra explains. "There are Portuguese influences in Goa, and French

and English influences elsewhere. There are wonderful foods from all the regions."

Annual sales for Café Spice Express units average \$1.5 million.

Malhotra, who also is president of the 8-year-old Café Spice Restaurant Group, came to America from Bombay, India, in 1967 to study engineering at The City College of New York. Before entering the restaurant industry he worked as an electrical engineer and later attended New York University's Leonard N. Stern School of Business, where he earned his MBA. Malhotra says his engineering experience "taught me to think logically."

"Running a restaurant is like running a little version of IBM," Malhotra says. "The products have to be right, the service has to be right, the marketing has to be right, like with any successful company."

In 1976, Malhotra opened his first restaurant, Akbar, in New York. The fine-dining northern Indian concept was open for 10 years. In 1986, Malhotra opened Dawat, also in New York, an acclaimed fine-dining Indian concept highlighting cuisines from several regions of India. At Dawat Malhotra hired Madhur Jaffrey, renowned cookbook author and British television actor, as a culinary consultant.

Although Malhotra considered expanding the fine-dining Dawat into other cities in America, he eventually decided that it would be more profitable to open casual and fast-casual concepts. He sold Dawat in 2001 to focus exclusively on the Café Spice and Café Spice Express concepts.

Bhardwaj, who also is the company's chief operating officer and corporate executive chef, managed food and beverage operations for the Taj Group of Hotels, a luxury hotel chain in New Delhi, India, for several years before moving to New York to work at a restaurant in Queens.

The first Café Spice bistro opened in New York in 1998. As that concept took off, developers at Grand Central Terminal approached Malhotra and Bhardwaj about opening a fast-casual concept in the renovated Dining Concourse, Malhotra says. The company launched Café Spice Express at Grand Central Terminal in 2000 and has opened two other units since then at Roosevelt Field Mall in Garden City, N.Y., and Queens Center Mall in Elmhurst, N.Y.

The first Café Spice Express unit outside of New York, at Philadelphia's Liberty Place shopping center, is set to open in March.

At Café Spice Express in the Grand Central Terminal, the per-

person check average is about \$11, while the other two units in shopping mall environments have average checks of \$7. "The client base in Grand Central is more white-collar workers who come down to the Dining Concourse specifically to have lunch there and who are willing to pay more," Bhardwaj says. "But in the malls it's a different ball game because the primary goal of the consumer there is to shop, not to eat."

At Grand Central Terminal the busiest dayparts are lunch and dinner on the weekdays, according to Sandeep Uberoi, general manager of the three Café Spice Express units. Conversely, weekend lunch and dinner business is the busiest time at the mall units, he says. On a typical day at the Grand Central Terminal unit Café Spice Express does 600 covers, more than 400 of which are at lunch, Uberoi says. For busy shifts Uberoi staffs his units with two chefs as well as five employees who take and fill orders out front.

Uberoi, who hails from New Delhi, India, has been with the company for six and a half years, he says. The best thing about the company is "the opportunity to grow," he says, noting that he was promoted from a Café Spice bistro manager to general manager of now multiple units.

In an effort to standardize its product systemwide as Café Spice and Café Spice Express grew, the company established Zaika Flavors, a quality-control center and commissary, in 2000.

"Indian food is a little bit complicated cooking-wise," Bhardwaj says. "It's not very easy to train the chefs to do everything the same. We wanted standardization and the quality of the food to remain the same at all of our restaurants." Zaika Flavors is located within the company's headquarters in Long Island City. Twenty people are employed in corporate management and corporate chef positions.

At Zaika Flavors corporate chefs make all of the "mother sauces" and the marinades for Café Spice and Café Spice Express units, pack the sauces into modified atmospheric packaging and then ship them in temperature-controlled trucks to each unit. Cooks finish the sauces and add proteins and vegetables to them at each restaurant. Each unit also has a tandoor chef who cooks meats and breads to order in a tandoor oven.

Zaika Flavors now has become a standalone business entity, supplying Indian food to high-end corporate dining facilities, such as the United Nations headquarters in New York; the World Bank headquarters in Washington, D.C., and the executive dining facility at Salomon Smith Barney in New York. "We supply the food and train the chefs there to finish the sauces and add vegetables and meats," Bhardwaj says.

Although the current Café Spice Express units have communal seating with other concepts in food-court-style settings, the company is planning to open future units in "visible corner spaces with 30 or 40 seats so people can come in and sit down to eat," Bhardwaj says. In 2005 Café Spice Restaurant Group plans to open four new express units in areas where the company already has a brand presence, he says. "Probably three in New York and another in Philadelphia."

As a long-term goal for Café Spice Express, Malhotra says he would like to see the concept in every university town in the country. "College towns have demographics favorable to international eating," he says, including foreign-born students and faculty, and American college students looking to try new things.

Restaurant consultant Malcolm Knapp agrees. "I think the concept would have great potential in larger college settings with 30,000 to 40,000 students," says Knapp, president of Malcolm M. Knapp Inc., a New York-based restaurant consulting company, who also is a Nation's Restaurant News contributor. Large urban markets with diverse populations, such as Los Angeles and Washington, D.C., also could be strong targets for growth, he says.

"Indian is clearly being used more in terms of flavor profiles at a lot of high-profile, fine-dining restaurants," Knapp says. "Over time I expect that trend will just become stronger and stronger."

Meanwhile, Café Spice Express currently is strategizing on the best way to achieve its expansion plans, Malhotra says. "In the next year I need to decide whether to continue expanding with company stores or to go the franchise route," he says. "I see a lot of opportunity for growth, but I'm not sure of our growth strategy yet."

In terms of challenges facing the concept, Bhardwaj notes that some people are unfamiliar with Indian food or are intimidated by it. "Being ethnic cuisine, the appeal of the concept to customers is not as broad as you would have with a McDonald's or a KFC," he says. "The segment is somewhat limited because Indian food is liked more by adults. Kids are more wary of it."

Café Spice Express offers traditional Indian items such as samosas, or savory fried dumplings filled with spiced potatoes; saag panir, or sautéed, pureed spinach with homemade cheese; and channa masala, or chickpeas cooked in a spicy tomato-based sauce. The concept also offers signature items such as chicken and lamb wraps. "Our special in-house drink, the mango lassi [made from mango puree and yogurt] sells tremendously because it's not available anywhere else," Bhardwaj says.

Indian food, which is displayed on a hot table at the express units, largely is sold by appearance, Bhardwaj says. "When people approach they want to see what is on display, and they want to make their own combinations."

Because Café Spice Express units are located in malls and at Grand Central Terminal, marketing initiatives are limited to nearby table tents or signage at the counter. "It's not a concept you can advertise in a magazine or a paper because the experience is more about being there, at that location, at that time," Bhardwaj notes.

[Back to The NRN 50 Table of Contents](#)